

Physicians strengthen Michigan's economy

Michigan's office-based physicians ensure the health and well-being of their communities. A recent report by The Lewin Group proves they also strengthen Michigan's economy by creating jobs, purchasing goods and services, supporting wages and benefits, and generating state and local tax revenue.¹ The people of Michigan benefit directly when the state creates a positive practice environment for physicians. By attracting and keeping physicians in the state, the people of Michigan have better access to health care and a stronger state economy.

- **Jobs:** Office-based physicians support more than 120,000 jobs in Michigan
- **Output:** Office-based physicians contribute \$31.2 billion in economic output or sales revenue, representing 8.5 percent of the total GDP in Michigan
- **Wages & Benefits:** Office-based physicians in Michigan generate more than \$20 billion in wages and benefits
- **Taxes:** Office-based physicians generate almost \$1.5 billion in state and local tax revenue in Michigan

In addition to supporting the state economy, physicians also give back to their community by providing charity care. In 2008, physicians provided an estimated \$24.4 billion in charity care on a nationwide basis.²

2011 Economic Impact Study of Office-Based Physicians

	Michigan	National
Total Number of Office-Based Physicians	21,091	638,661
Total Number of Jobs Supported by Office-Based Physicians	121,419	4.0 Million
Average Number of Jobs Supported per Office-Based Physician	5.8	6.2
Total Sales Revenue Generated by Office-Based Physicians	\$ 31.2 Billion	\$ 1.4 Trillion
Total Wages & Benefits Supported by Office-Based Physicians	\$ 20.1 Billion	\$ 833.1 Billion
Total State & Local Tax Revenue Generated by Office-Based Physicians	\$ 1.43 Billion	\$ 62.9 Billion

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¹ The State-Level Economic Impact of Office-Based Physicians Report, The Lewin Group, Jan 2011.

² Kane, Carol. (2008, October) Medical Care for the Uninsured: Who Pays for it and How Will Spending Change Under Universal Coverage?, American Medical Association. <http://www.ama-assn.org/ama1/pub/upload/mm/363/prp200803.pdf>



The Economic Impact of AAMC-Member Medical Schools and Teaching Hospitals in Michigan by American Association of Medical Colleges

Direct economic impact stems from the spending of AAMC medical school and teaching hospital members. These impacts fall within seven principal groups: institutional expenditures for capital improvements, goods and services; spending of employees; spending of independent contractor physicians; spending of medical residents; spending of medical and other health sciences students; spending of patients (external to the hospital); and spending of visitors. In addition, these direct, first-round expenditures, received as income by businesses and individuals in the state, re-circulate through the economy in successive rounds of re-spending. The end result is a multiplied economic impact that is a linear result of AAMC members' presence and their spending patterns.

Summary of Economic, Employment, and Government Revenue Impact 2008

	State Rank	Total Economic Impact	Total Employment Impact	Total Governmental Revenue Impact
Michigan	8	\$ 24,193,228,100	150,962	1,261,661,489
U.S. Total		\$512,286,592,095	3,352,604	22,531,821,705

Income tax revenue paid by medical school and teaching hospital personnel (staff, medical faculty, medical residents) totaled \$498,224,878 in Michigan which ranked the state 5th in the country in Individual income tax revenue generated by AAMC member's employees.

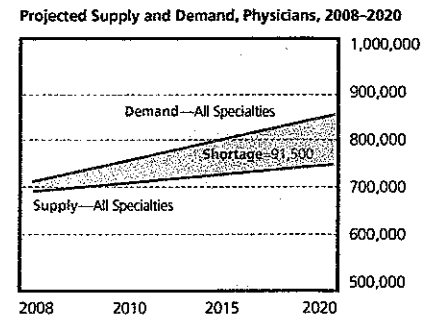
Total State Business Volume Impact 2008

	State Rank	Total Economic Impact	Direct Economic Impact	Indirect Economic Impact
Michigan	8	\$ 24,193,228,100	10,518,754,826	13,674,433,274
U.S. Total		\$512,286,592,095	222,733,300,911	289,553,291,184

Revenue generated by AAMC Member Medical Schools and Teaching Hospitals in Michigan	
Direct spending for capital improvements, goods, supplies and services in Michigan.	\$ 6,796,503,610
Medical school and teaching hospital payroll for employed staff, contracted physicians and faculty in Michigan.	\$ 2,753,796,685
Business Real Property Investments related to AAMC members in Michigan	\$ 3,580,597,759
Business Inventories related to AAMC members in Michigan	\$ 2,999,960,284
Sales and Gross Receipts Tax Revenues Generated by Michigan AAMC members. Michigan is ranked 7 th nationally.	\$ 463,185,308
Corporate net income tax received by the state of Michigan from business volume generated by AAMC members and their related spending. Michigan is ranked 3 rd nationally.	\$176,500,477
Total Impact on Employment – direct and indirect expansion of employment attributable to Michigan AAMC members measured in number of FTE's	150,962

Physician Shortages to Worsen Without Increases in Residency Training

The passage of health care reform, while setting in motion long-overdue efforts to insure an additional 32 million Americans, will increase the need for doctors and exacerbate a physician shortage driven by the rapid expansion of the number of Americans over age 65. Increasing graduate medical education by eliminating the 13-year freeze in Medicare's support for training positions is essential to address the projected shortfall.



Unless We Act Now, America Will Face a Shortage of More than 90,000 Doctors in 10 Years

- The U.S. Department of Health and Human Services estimates that the physician supply will increase by only 7 percent in the next 10 years. In some specialties, including urology and thoracic surgery, the overall supply of physicians will actually decrease. At the same time, the Census Bureau projects a 36 percent growth in the number of Americans over age 65, the very segment of the population with the greatest health care needs.
- As a result, by 2020 our nation will face a serious shortage of both primary care and specialist physicians to care for an aging and growing population. According to the AAMC's Center for Workforce Studies, there will be 45,000 too few primary care physicians – and a shortage of 46,000 surgeons and medical specialists – in the next decade.
- Our doctors are getting older, too. Nearly one-third of all physicians will retire in the next decade just as more Americans need care.
- The shortfall in the number of physicians will affect everyone, but the impact will be most severe on vulnerable and underserved populations. These groups include the approximately 20 percent of Americans who live in rural or inner-city locations designated as health professional shortage areas.

Both an Aging U.S. Population and Greater Number of Insured Drives Demand for Physician Care

- Though the number of primary care physicians continues to grow (and has doubled in the last three decades), older patients are sicker and have multiple chronic conditions that require more time and coordination. Team-based approaches, like the "medical home," may help reduce the shortage but will not eliminate it.
- Even with the best prevention possible, as the number of elderly grows and people live longer, so will the number of patients with age-sensitive conditions like cancer (almost

100 times higher in older adults); more oncologists, surgeons, and other specialists will need to be trained to ensure timely access to high-quality services.

- In addition to the 15 million patients who will become eligible for Medicare, 32 million younger Americans will become newly insured as a result of health care reform and thereby intensify the demand for physicians even further.
- Because educating and training physicians takes up to a decade, graduate medical education (residency training) must be expanded now.

To Ensure an Adequate Physician Workforce, the Medicare Freeze on Residency Training Must End

Because of the concern with likely shortages, the number of medical schools is increasing, and there will be an additional 7,000 graduates every year over the next decade. Still, there can be no substantial increase in the number of residency training positions supported by the federal government.

- Medicare's support for physician training has been frozen since 1997. Unless the number of residency training positions expands at the nation's teaching hospitals, the United States will face a declining number of physicians per capita just as the baby boomers swell the Medicare rolls.
- Congress must lift the freeze on Medicare-supported residency positions. Because all physicians must complete three or more years of residency training after they receive an M.D. degree, Medicare must continue paying for its share of training costs by supporting at least a 15 percent increase in GME positions, allowing teaching hospitals to prepare another 4,000 physicians a year to meet the needs of 2020 and beyond.

A Physician Workforce Shortage Loomed Even Before the Passage of Health Care Reform.

An analysis of the projected supply and demand for physicians, conducted by the Health Resources and Services Administration in 2008, foretells of a total shortage across the entire workforce. Particularly evident is the deficit projected in nonprimary care subspecialties, with a shortage of 35,000 surgeons and 27,000 medical specialists by 2020.

Source: U.S. Department of Health and Human Services, Health Resources and Services Administration; Exhibit 51, Baseline FTE Supply Projects of Active Physicians, and Exhibit 52, Baseline Physician Requirements Projections, December 2008.

AAMC Studies Show Deficit Across Specialties

Current analysis by the AAMC not only factors in the expansion of health care insurance as a result of reform, but also the changes in physician retirements and specialty choice, as well. This newer model illustrates the critical shortfall in the number of all physician specialties that care for older adults. Even five years from now – in 2015 – there will be a deficit of 62,900 physicians. Looking out further – to 15 years from now, in 2025 – that shortage is likely to have doubled, with a projected deficit of more than 130,000 physicians across all specialties.

Projected Supply and Demand, Full-time Equivalent Physicians Active in Patient Care Post Health Care Reform, 2008-2025

Year	Physician Supply (All Specialties)	Physician Demand (All Specialties)	Physician Shortage (All Specialties*)	Physician Shortage (Non-Primary Care Specialties)
2008	699,100	706,500	7,400	None
2010	709,700	723,400	13,700	4,700
2015	735,600	798,500	62,900	33,100
2020	759,800	851,300	91,500	46,100
2025	785,400	916,000	130,600	64,800

Source: AAMC Center for Workforce Studies, June 2010 Analysis

**Total includes primary care, surgical, and medical specialties.*

For more information, please contact Len Marquez, Director, Government Relations, AAMC, at lm Marquez@aamc.org or 202-862-6281.

The **Michigan Center for Nursing**, a program of the **Michigan Health Council**, has made progress towards addressing the issues that underlie Michigan's nursing shortage. In collaboration with Michigan's Chief Nurse Executive we have been able to initiate substantive projects and tangible results. The Center has created a record of excellence as we enter our ninth year of operations. Since its creation, the Center has focused on three goals for maintaining an adequate supply of high-quality nurses in Michigan:

- Develop consensus recommendations for cultivating and maintaining a high-quality nursing workforce that meets the demand for nursing services in Michigan
- Foster strategic alliances among nurses, educational institutions, health care systems, the business community, and other stakeholders for improvement in the recruitment, education, retention of nurses, and the delivery of health care.
- Establish a central resource for nursing workforce data collection and analysis.

The Michigan Center for Nursing Advisory Board has identified priorities for action to address the shortage of nurses in Michigan and strengthen the nursing workforce. The Advisory Board selected priorities from among many recommendations using the following criteria:

Impact - Which issues provide the greatest opportunity for affecting the shortage of nurses or the nursing workforce?

Feasibility - Are the cost, effort, and level of cooperation that will be required to address the issue reasonable?

Urgency - Is there a need to address the issue immediately, before other issues are addressed?

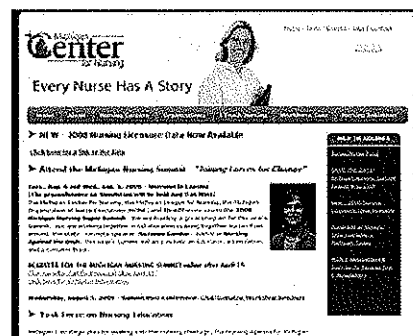
The Advisory Board also considered the distribution of issues and strove for a balance across the areas of education, work environment/retention, staffing/care delivery models, and image/recruitment. The priorities that the Center has focused their efforts on are:

- Education
- Recruitment and image
- Work environment and retention

Through consultation, collaboration and research we have developed or partnered on initiatives to address these priorities. These initiatives have had an impact on nursing supply or been a catalyst for innovative programs that will impact the supply. All combine to form a solid body of work that is driving change.

Impact of the Michigan Center for Nursing:

- MCN has been featured in more than 50 state and national publications, and several local and statewide TV and radio affiliates
- MCN publishes an e-newsletter that is sent to 40,000+ nurses throughout Michigan (4-6X per year)
- MCN receives over 5,000 emails and over 1,000 phone calls each year on nursing related questions that staff research and respond to
- The MCN website receives more than 75,000 visits each month
- MCN has recognized more than 330 nurses with the Institute of Nursing Excellence
- MCN has presented 4 forums, 13 institutes, 6 summits, and held over 35 workshops and 50 presentations and informational meetings to over 3,000 Michigan nurses
- MCN has received over 300,000 surveys for the Nursing Licensure Surveys in 2004, 2005, 2006, 2007, 2008, 2009, and 2010
- MCN has surveyed 100% of our nursing education programs in 2002-2003 and 2005-2006 and the 2010 school year with information on enrollments and faculty demographics.
- MCN has collaborative partnerships with Michigan's Chief Nurse Executive, the Michigan Health Council and the Center for Health Professions, Michigan Organization of Nursing Executives (MONE), Michigan Council of Nursing Education Administrators (MCNEA), Michigan Association of Colleges of Nursing (MACN), Michigan Healthcare Workforce Center (MHWC), the Greater Detroit Area Health Council (GDHAC), the West Michigan Nursing Advisory Council (WMNAC), the Capital Area Community Nursing Network (CACNN), the Council of Michigan Organizations of Nursing (COMON), Michigan HOSA, the Michigan League for Nursing (MLN), and Health Opportunities for Today and Tomorrow (HOTT).





Center for Health Professions Accomplishments 2006-2011

The Center for Health Profession program funding has allowed the Michigan Health Council as a neutral convening body to coalesce stakeholders around workforce issues and bring together solution-based groups and action plans.

The Center for Health Professions Advisory Board was established in 2006 and meets four times a year.

- The Center for Health Professions Advisory Board has developed and built a communication plan to reach allied and other health professions
- Determined need for white papers and profiles of careers
- Implementation and evaluation of the ACE System

Clinical Placement System ACE (Alliance for Clinical Experience) – An electronic answer to clinical placement rotation shortages

- Develop the concept of Clinical Placement System – 2007
- Develop the concept of a Clinical Passport System – 2007
- Launch ACE Passport and ACE Placement System in Southeast Michigan in Nursing in 2008
 - 38 major health systems participating
 - 22 colleges and universities in Southeast Michigan participating
- Expanded ACE in Southeast Michigan in 2009 and 2010
- Developed plans to include other health professions in 2010
- Developed plans to include other regions and areas of the state in 2011

Building Michigan Healthcare Workforce Awards

The Michigan Health Council began the *Building Michigan's Healthcare Workforce Awards* in 2008 to recognize Michigan's healthcare organizations and educators who are designing and implementing creative approaches to address Michigan's healthcare workforce needs and issues. The awards recognize innovative programs Building Michigan's Workforce in six areas:

- Healthcare Workforce Recruitment
- Health Care Workforce Retention
- Community or Regional Collaboration
- Education and Training Strategies
- Cultural Competency and Diversity
- HOSA Trailblazer

Twenty three Building Michigan's Healthcare Workforce Awards have been awarded since 2008.

Website Development/Printed Studies/Materials/Utilization and Media

- 3,000 visitors a month regularly visit the Michigan Health Council's website for surveys, articles, white papers
- Quarterly Center for Health Professions Newsletters are sent to over 8,000 professionals and interested parties
- Sent Physician Newsletter 4 times per year

- Center for Health Professions data and programs have been featured in 32 publications
- Michigan Health Council website has 55,000+ page views per year
- Redesign of the health careers exploration website MI HOTT (Health Opportunities for Today and Tomorrow) www.mihott.com for high school students and adults
- Added components to the Michigan Healthcare Jobs website to assist graduates to transition to the workforce
- Added bibliography of health professions data, white papers, articles to the Michigan Health Council website

Reports and White Papers

A Profile of Michigan's Nursing Workforce 2009

A Profile of Michigan's Physician Workforce 2009

A Profile of Michigan's Nurse Practitioner & Physician Assistant Workforce 2010

A Profile of Michigan's Nurse Practitioner & Physician Assistant Workforce – Updated 2011

White Paper "Strategies to Address Shortages in the Health Professions"- January 2008

White Paper "Assessing the Impact of Health Reform on the Health Care Workforce" – November 2010

Report of the Michigan Educational Enrollment in the Six Health Professions – Spring 2011

Sent Legislative information briefs – Fall 2010, Spring 2010, Fall 2009 and Spring 2009

Convene Meetings

- Convene Health Roundtables forums for 3 professions
 - Physician Assistants in March 2011
 - Imaging in May 2011
 - Clinical Laboratory Science Fall 2011
- Convened 35 meetings statewide since 2008
- Speaker presentations at

<ul style="list-style-type: none"> ◦ Michigan State Medical Society (MSMS) ◦ Michigan Health and Hospital Association (MHA) ◦ Small and Rural Council ◦ Michigan Health and Hospital Association (MHA) ◦ Michigan Primary Care Association (MPCA) ◦ Alliance for Health ◦ Michigan State University – College of Medicine ◦ Grand Valley State University 	<ul style="list-style-type: none"> ◦ MPRO ◦ Michigan Legislative Representatives ◦ Rural Legislators ◦ Community College Presidents Group ◦ Michigan Department of Labor and Economic Growth ◦ Michigan Dental Association ◦ AHEC
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Active Collaborations with Healthcare Groups and Associations

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| <ul style="list-style-type: none"> • All Four Year Colleges and Universities • All Community Colleges Health Programs • Michigan Health and Hospital Association (MHA) • Michigan State Medical Society (MSMS) • Michigan Osteopathic Association (MOA) • Michigan Academy of Family Practice (MAFP) • Michigan Society of Radiologic Technologists (MSRT) • Michigan Society for Clinical Laboratory Science • Michigan Society for Respiratory Care • Michigan Coalition for Health Information Technology • Michigan Rural Health Association (MRHA) • Greater Detroit Health Care Alliance (GDAHC) | <ul style="list-style-type: none"> • Michigan Association of Health Plans • Michigan Primary Care Association • Michigan Dental Association • Hospital Council of East Central Michigan • Michigan Nurses Association • Public Sector Consultants, Inc. • Public Policy Associates • Michigan Council of Foundations • Capital Area Health Alliance (CAHA) • Michigan Home Health Association • Corporation for Skilled Workforce • Michigan Public Health Institute |
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